GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2800
ANSWERED ON:17.12.2004
FOREIGN AID POLICY
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has reversed the existing foreign aid policy and has decided to accept bilateral development assistance from all G-8 countries;

(b) if so, the main reasons for reversing the existing foreign aid policy;

(c) the details of the policy that is being considered and to what extent it will be different from the earlier one; and

(d) the manner in which this policy likely to be more beneficial to the country?

Answer

Minister of State in Ministry of Finance (Shri S.S. Palanimanickam)

(a) to (d) The Government of India has reviewed the existing policy of bilateral development co-operation to affirm the liberalization and reform orientation in India`s economic policy. Bilateral development assistance will now be accepted from all G-8 countries, as well as from the European Commission, as against six development partners in the erstwhile policy, namely, Japan, United Kingdom, United States of America, Germany, Russian Federation and European Commission. Further such assistance will also be accepted n6W from lion G-8 European Union coUntfleiS pWVIfffftg a minimum bilateral aid package of US$ 25 million per annum to India. Other countries not covered by the above policy may continue providing bilateral aid directly to autonomous institutions, universities, NGOs, etc., as before. They may also provide development assistance through UN and multilateral organizations. The policy also entails a simplified procedure to facilitate the flow of bilateral assistance to non-governmental organizations and autonomous institutions.